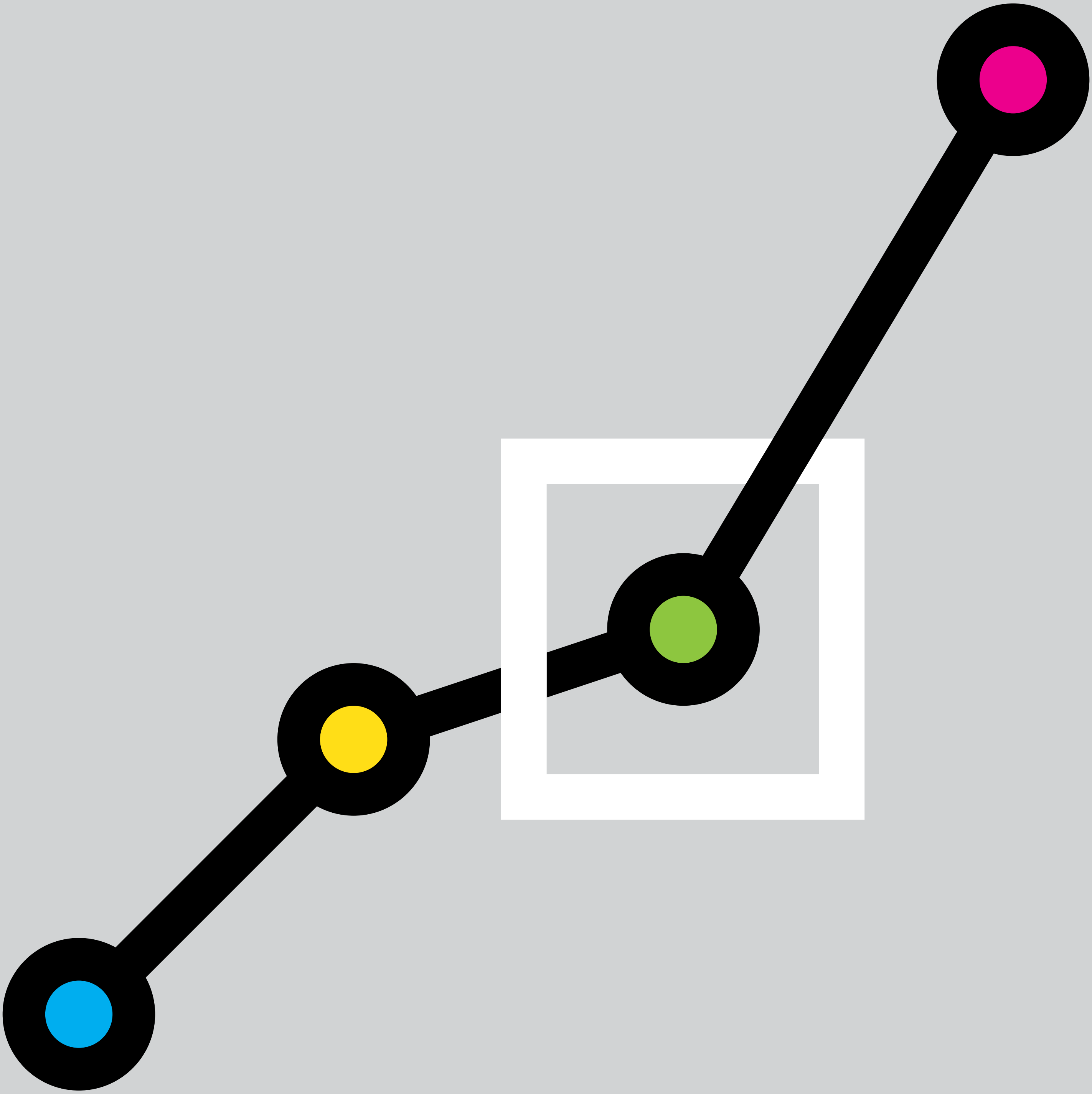
# Future Trends Survey:

September 2023



RIBA
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## The RIBA's monthly Future Trends Survey

was launched in January 2009 to monitor business and employment trends affecting the architects' profession. Participants give monthly predictions for overall workload and staffing levels over the next three months, and are also asked about their workload predictions in key sectors: private housing, commercial, community and public sector. In addition, practices are asked about their current workload and staffing levels. The Survey is carried out by the RIBA in partnership with the Fees Bureau. Results of the Survey, including a full graphical analysis, are published each month on www.architecture.com

The following is a summary analysis of the results from the September 2023 survey returns.

RIBA Future Trends Workload Index
(September 2023)

How do you expect the architectural workload in the organisation you work in or own to change over the next three months?

Overall

| Expect | % |
|---|---|
| Decrease | 25 |
| Stay the same | 51 |
| Increase | 24 |
| TOTAL | 100 |
| **Balance** | **-1** |

(The definition for the balance figure is the difference between those expecting more work and those expecting less.)

At -1, the September RIBA Future Trends Workload Index is negative for the third successive month. A negative balance indicates an overall expectation of falling workloads among architects.

Twenty-five per cent of architects' practices expect a decline in workloads over the next three months, while twenty-four per cent anticipate an increase. Fifty-one per cent expect stable workloads.

However, this month's Index is a 10-point improvement over last month, driven by a better outlook reported by smaller practices and a less pessimistic outlook for the housing sector.

Apart from the public sector, all monitored workload sectors have an improved outlook this month, although none has returned a positive Workload Index.

The regional picture has partially improved, with two regions, including London, returning a positive Workload Index. Two regions have seen their outlook deteriorate, however.

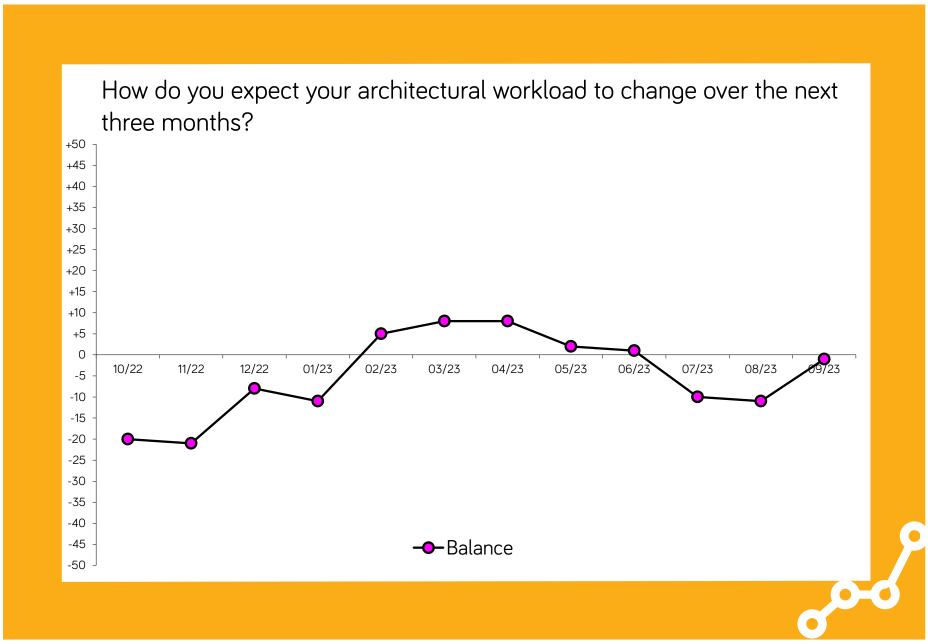
Current workloads remain lower than a year ago, with a reported overall 4% year-on-year decrease. This is a marked improvement on August's 11% decrease figure, however.

Twenty-three per cent of architects reported personal underemployment in September, one per cent more than last month.

At +1, the RIBA Staffing Index has become positive this month, following a dip into negative territory in August.

The following graph plots the RIBA Future Workload index over time:

**Notes**
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.



Looking at the September 2023 RIBA Future Trends Workload Index in terms of practice size, region and sector:

Although still negative, the outlook of Small practices (1 - 10 staff) has seen a significant improvement this month, with the Workload Index figure rising from -17 in August to -4 in September, an increase of 13 points. Twenty-five per cent of small practices anticipate falling workloads over the next three months, while 22% expect an increase. The majority, 53%, anticipate stable workloads.

Large and medium-sized practices (11+ staff) have maintained a firmly positive outlook, with a combined Workload Index of +17, although this is a seven-point fall compared with August's figure of +24. Forty per cent of medium and large practices expect their workloads to grow, 23% anticipate a reduction, and 37% expect workloads to hold steady.

The regional picture is mixed this month, with a return to optimism in the North and the capital but continued pessimism elsewhere.

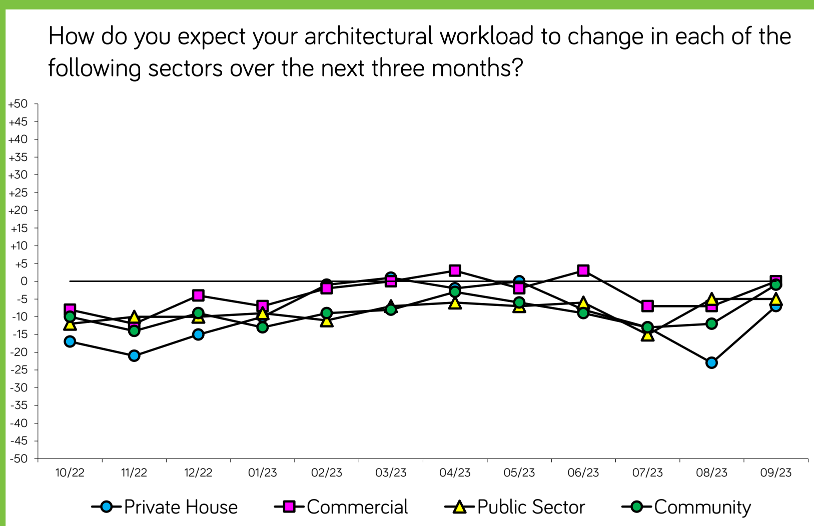
London, whose confidence fell to -9 last month, has recovered strongly to post a Workload Index figure of +6 this month, indicating an overall expectation of growing workloads to come.

The North has seen a surge in optimism, returning a balance figure of +31 this month, up from -11 in September. It's the biggest regional change in outlook since the onset of the pandemic, but this time positive.

The remaining regions remain pessimistic about future work.

Wales & the West has returned a Workload Index figure of -14, although this is an improvement compared with last month's figure of -19. The outlook in the Midlands & East Anglia has deteriorated from -15 in August to -19 this month. The South of England has also worsened, from a zero Workload Index to -6.

The following graph tracks the sector predictions in the RIBA Future Trends Survey over time:




All four monitored sectors have returned a negative or zero Workload Index figure this month, although three of the four have improved.

The outlook for the private housing sector has rallied following significant falls over the last four months. At -7, the expectation is still for shrinking workloads overall, but this month's figure is a 16-point improvement on last month's -23.

The outlook for the commercial sector has also improved this month, with a zero Workload Index figure this month, up from -7 last month, and indicating an expectation of steady workloads to come.

The public sector remained at -5 in September, the same as in August.

The community sector saw a further improvement in outlook, with a balance score of -1 in September. While still negative, this is the highest Workload Index figure for the sector since early 2022.

RIBA Future Trends Staffing Index
(September 2023)

How do you think the number of permanent architectural staff employed in your organisation will change over the next three months?

| Permanent Staff | % |
|---|---|
| Decrease | 9 |
| Stay the same | 80 |
| Increase | 10 |
| TOTAL | 100 |
| Balance | +1 |

(The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.)

In line with lifted pessimism, the **RIBA Future Trends Permanent Staffing Index** has improved slightly to +1 in September, back to positive territory after posting a -2 balance in August.

Nine per cent of practices anticipate employing fewer permanent staff over the next three months, while 10% expect to employ more. Eighty per cent anticipate no change in the number of permanent staff.

Medium and large-size practices (11+ staff), remain firmly upbeat about permanent staff recruitment, with a combined Staffing Index figure of +22.

In contrast, small practices (1 - 10 staff) continue to expect a decline in staffing levels, with a Staffing Index figure of -3, although this is a three-point improvement from last month.

Looking across the regions, all anticipate growing permanent staff levels, except the Midlands & East Anglia.

The North of England (+13), Wales & the West (+4), the South of England (+2), and London (+1) have all returned a positive permanent Staffing Index, expecting permanent staffing levels to increase over the coming three months.

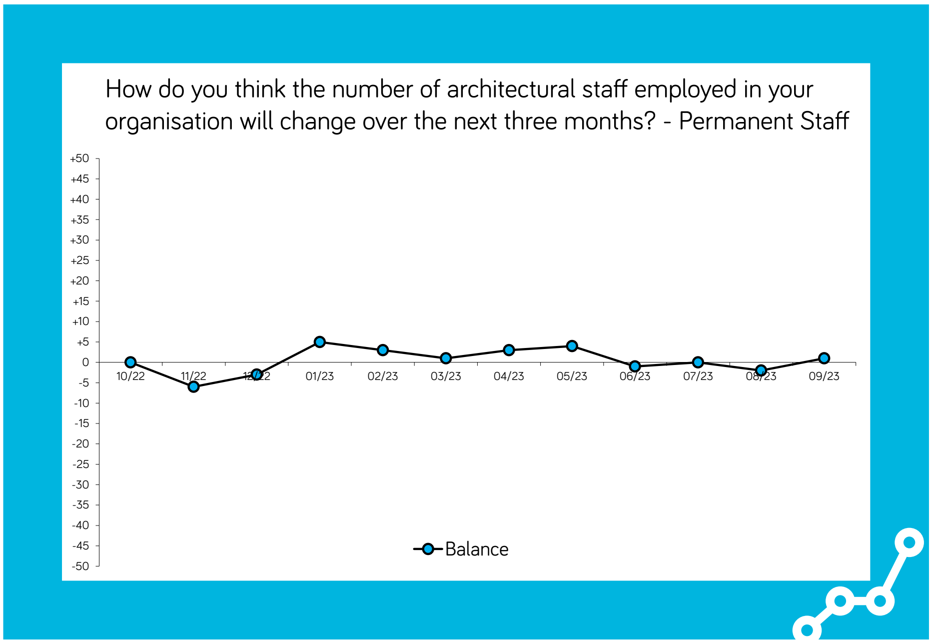
The Midlands & East Anglia is the exception, with a Staffing Index figure of -13, down from -8 last month.

The **Temporary Staffing Index** rose seven points in September to post a zero balance, with 9% of practices expecting to employ more temporary staff, and 9% fewer. Eighty -two per cent expect to employ the same number of temporary staff.

Levels of **personal underemployment** rose very slightly 23% of architects reporting personal underemployment in the past month, compared to 22% last month.

The following graph plots the RIBA Future Trends Staffing Index over time:

**Notes**
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.



RIBA Future Trends
(September 2023)

This month's Future Trends data continues to reflect a downbeat profession, however, the less pessimistic outlook among small practices and for the Housing Sector is welcome. A return to positive sentiment within the capital is also encouraging. Medium and Larger practices remain optimistic about coming workloads.

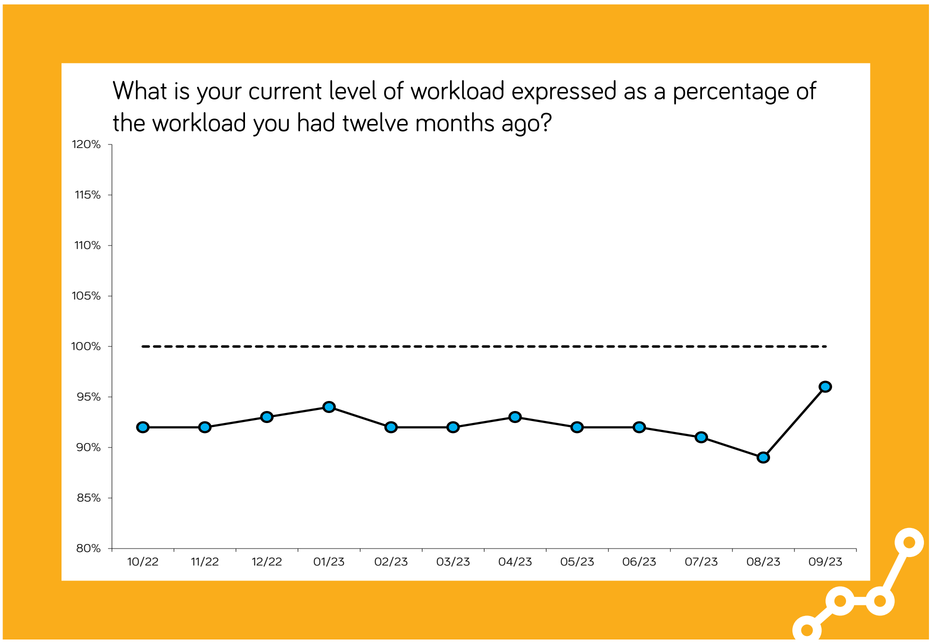
Nevertheless, the significant challenges to the economy, the industry, and the profession remain. Taken alone, this month's data is insufficient to suggest better trading conditions are just around the corner for architects.

Commentary from practices includes some who have noted an uptick in enquiries following the summer break, an increase in refurbishment and conservation work, and a more optimistic view about the remainder of the year than previously.

Others, however, note the effects a weak economy and increased interest rates are having on the profession. RIBA receives reports of fewer enquiries for some practices, of enquiries failing to lead to projects and of some existing projects being abandoned or put on hold due to constrained client financing. We also hear of clients seeking to agree on fixed project fees at the early design stages (0-2) and of intense fee competition.

As in previous months, the issue of planning delays features strongly, with practices consistently reporting how insufficiently resourced planning departments are holding back projects, and stifling architects' work. Planning delays are described as 'crippling'.

The following graph plots current level of workload expressed as a percentage of the workload of twelve months ago.




*The RIBA Future Trends Survey is based on a representative sample of the range of different practice sizes and geographical locations which enables analysis of the trends in sectors, size groups and by nation and region.*

*A total of 267 practices took part in the Survey in September 2023.*
*The development of a larger database of respondents will increase the statistical accuracy of the survey, and if your practice would like to participate in future months, please contact the RIBA Practice Department on 020 7307 3749 or email practice@riba.org.*
*The survey takes approximately five minutes to complete each month, and all returns are independently processed in strict confidence by our partners The Fees Bureau.*